

# SPARKING INNOVATION



**2013 ANNUAL REPORT**



## MISSOURI TECHNOLOGY CORPORATION

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Jeremiah W. (Jay) Nixon, Governor

Joseph G. Bannister, Chairman

William Anderson, Acting Executive Director

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November 1, 2013

Members of the General Assembly and Fellow Missourians:



From Day One, the highest priority and deepest commitment of my administration has been to create jobs for Missourians and promote economic development in the Show-Me State.

To continue moving Missouri's economy forward, the Missouri Technology Corporation is leveraging our world-class talent and diverse resources to encourage innovation and sustainable business growth in our state.

Under MTC's guidance, Missouri has become a premier location for startup technology companies that are looking to expand. In fact, last year Missouri had the 3rd fastest rate of technology job growth in the nation.

By providing industry expertise and targeted resource initiatives, MTC connects entrepreneurs with Missouri's extensive startup network, providing greater access to mentorship and funding for emerging technology companies.

I would like to thank the Missouri Technology Corporation for their hard work and dedication to moving our economy forward.

Sincerely,

Governor Jay Nixon





November 1, 2013

Governor Nixon, Members of the General Assembly and Fellow Missourians:

I am pleased to provide this report on the efforts of the Missouri Technology Corporation to grow Missouri's economy through innovation and entrepreneurship. The Missouri Technology Corporation is proud to support our growing entrepreneurial community, a group that epitomizes the value of hard work. As the private-public partnership created by the General Assembly to foster entrepreneurship and innovation, we look forward to our report illustrating our strategic investments in startup companies and organizations that support our entrepreneurs, spur job creation, and bolster Missouri's economy.



Throughout the past year, MTC made significant investments in the infrastructure and support organizations available to help entrepreneurs build a stronger entrepreneurial ecosystem. MTC also provided critical early-stage capital directly to entrepreneurs through the Missouri Innovation, Development and Entrepreneurial Advancement ("IDEA") Funds to help grow more Missouri-based companies. Through the IDEA Funds, MTC deployed over \$12.5 million to over 40 companies which positioned those companies to raise over \$58 million in additional private capital. These entrepreneurs exhibit great potential to improve medical outcomes for people facing significant illnesses, reduce the cost of health care, develop technologies that will increase the ability of our farmers to feed the world, better protect the environment and develop new tools to share news and information with the world.

By working side-by-side with many partners across the state, we made huge advancements this year in establishing Missouri as the place to be for technology entrepreneurs. The state has garnered national attention for its extensive startup network and entrepreneur-friendly environment. Missouri's technology employment is growing at the third fastest rate, according to the Bureau of Labor Statistics. Dice.com named St. Louis the fastest growing city in terms of tech jobs, while Under30CEO ranked Kansas City and St. Louis 4th and 5th, respectively, as best large cities for young entrepreneurs and Columbia as 2nd best small city for young entrepreneurs.

We are proud of what we have accomplished thus far, and we appreciate your support as we continue to invest in and serve Missouri's startup and small businesses, which promises to keep Missouri on the forefront of innovation and move our economy forward.

Best Regards,

Joseph G. Bannister, Chair



# MTC OVERVIEW



# MISSOURI TECHNOLOGY CORPORATION

## Vision Statement

Our vision is to transform Missouri through the power of entrepreneurship by serving as a catalyst for technology-based innovation to achieve sustainable economic growth.

## Mission Statement

Our mission is to provide leadership and make strategic investments that help entrepreneurs create and grow technology-based Missouri businesses. MTC focuses on 21st Century bioscience industries that build on Missouri's rich history in agriculture.

## Governance

The Missouri Technology Corporation is a public-private partnership created by the Missouri General Assembly to promote entrepreneurship and foster the growth of new and emerging high-tech companies. MTC focuses on 21st Century bioscience industries that build on Missouri's rich history in agriculture. It is governed by a 15-member board of directors appointed by Missouri's Governor, Speaker of the House, and President Pro Tem of the Senate. The President of the University of Missouri System and the Director of the Department of Economic Development are ex officio members of the board.

## Values Statement

In carrying out its mission, our board and staff are guided by core values.

1. Integrity – Honesty and candor are the foundation on which MTC builds long-term, trusting relationships with stakeholders.
2. Transparency – MTC is committed to openness in its operations and active communication with stakeholders.
3. Accountability – MTC recognizes that it holds a position of public trust and is the steward of public funds. MTC makes informed decisions, takes responsibility for its actions, and tracks the outcomes of its investments.
4. Independence – The governance, policies, programs, and funding decisions of MTC are nonpartisan and merit-based.
5. Collaboration – Meaningful partnerships can produce game-changing results for Missouri. MTC is committed to actively collaborating with strategic partners.

## MTC AREAS OF FOCUS

**Animal Health** – products and services related to the health and nutrition of companion and livestock animals including but not limited to animal feed, comparative health, diagnostics, human food supply, veterinary drug development and delivery, and veterinary science

**Applied Engineering** – the use of engineering to develop innovative product and service solutions for technological issues including but not limited to advanced manufacturing, advanced materials, clean energy generation and storage, creative content, digital and convergence media, and information technology

**Biomedical Science** – products and services related to human health including but not limited to biomaterials, diagnostics, drug development and delivery, information technology related to human health, medical devices and pharmaceutical manufacturing

**Defense and Homeland Security** – products and services related to national defense and national security including but not limited to development, assembly, maintenance and modification of military equipment, homeland defense-related solutions and related suppliers

**Plant Science** – products and services related to plants and plant-derived materials including agricultural yield enhancement, biofuels, food, fiber, plant-derived chemicals, and value-added agriculture technology products.



# MTC BOARD OF DIRECTORS



Mr. Joseph G. Bannister  
Chairman



Mr. Daniel P. Mehan  
Vice Chairman



Dr. James Baker  
Secretary/Treasurer



Representative T.J. Berry  
Board Member



Ms. Beth Canuteson  
Board Member



Mr. Mike Downing  
DED Director, Ex Officio



Dr. Henry C. Foley  
University of Missouri System



Ms. Nicole Galloway  
Board Member



Ms. Victoria A. Gonzalez  
Board Member



Mr. Garry Kemp  
Board Member



Mr. David Kerr  
Board Member



Mr. Donn Rubin  
Board Member



Mr. Greg Steinhoff  
Board Member



Senator Ryan Silvey  
Board Member



Mr. Michael D. Wetle  
Board Member



Mr. William Anderson  
Acting Executive Director

# INVESTMENT REVIEW PROCESS

FOLLOWING A BENCHMARKING ANALYSIS OF PROGRAMS AND BEST PRACTICES FROM OTHER STATES AS WELL AS CONSIDERATION OF MISSOURI'S UNIQUE STRENGTHS, MTC DEVELOPED CLEARLY DEFINED PROGRAMS WITH ARTICULATED GOALS, ELIGIBILITY STANDARDS, AND EVALUATION CRITERIA. THESE HIGHLY COMPETITIVE APPLICATION-BASED PROGRAMS ARE SUBJECT TO A THOROUGH INVESTMENT REVIEW PROCESS THAT REFLECTS MTC'S CORE VALUES OF INTEGRITY, TRANSPARENCY, ACCOUNTABILITY, INDEPENDENCE, AND COLLABORATION.

## APPLICATION

Application Submission  
Preliminary Staff Review  
Due Diligence and Scoring

## INVESTMENT COMMITTEE REVIEW

Highest-ranked Applications Reviewed by Investment Committee  
Funding Recommendations Issued

## MTC BOARD REVIEW

Board Considers Recommendations  
Final Due Diligence and Definitive Documents

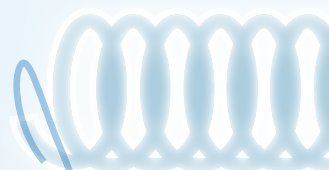
## TRACKING OUTCOMES

Awardees Report Outcomes for 10 years  
Contract Compliance  
Outcomes Monitored by Investment Committee



Balance Sheet	
As of June 30, 2013	Total
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Central Bank Checking	12,579,179.13
Total Bank Accounts	\$12,579,179.13
Total Other current assets- Notes Receivable	\$7,626,954.74
Total Current Assets	\$20,206,133.87
Fixed Assets	
Office Equipment	15,279.74
Accumulated Depreciation	-15,026.30
Total Office Equipment	\$253.44
Total Fixed Assets	\$253.44
Total Other Assets- Investments	\$8,873,670.99
<b>TOTAL ASSETS</b>	<b>\$29,080,058.30</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
Missouri Power Resource	46,500.00
Total Contractual Committed Funds	\$46,500.00
Payroll Liabilities	998.00
Total Other Current Liabilities	\$47,498.00
Total Current Liabilities	\$47,498.00
<b>TOTAL LIABILITIES</b>	<b>\$47,498.00</b>
Equity	
Opening Bal Equity	0.00
Restricted Net Assets	11,054,902.07
Retained Earnings	0.00
Unrestricted Net Assets	12,975,472.57
Net Income	5,002,185.66
Total Equity	\$29,032,560.30
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$29,080,058.30</b>

Profit & Loss	
July 2012 - June 2013	Total
<b>INCOME</b>	
Contributions Income	
Administrative Income	183,645.99
Program Income	7,197,130.98
Total Contributions Income	\$7,380,776.97
Discounts given	40.00
Investment Income	152,420.00
Program Re-allocations	0.00
<b>Total Income</b>	<b>\$7,533,236.97</b>
<b>EXPENSES</b>	
Administrative Services/Cost Allocation	63,283.25
Bank Service Charges	99.00
Conference - Expense	841.00
Depreciation Expense	655.46
Fees	10.00
Insurance	8,044.00
Meetings	1,260.72
Miscellaneous	5,010.00
Office Supplies	1,128.96
Payroll Tax	6,502.32
Postage and Delivery	1,090.25
Printing and Reproduction	1,549.08
Professional Services	
Accounting	20,535.38
Legal Fees	252,761.98
Total Professional Services	\$273,297.36
Program Expense	2,409,030.14
Retirement expense	-494.77
Telecommunications	2,973.35
Travel & Ent	12.21
Meals	58.25
Travel	8,345.72
Total Travel & Ent	\$8,416.18
Wages	85,000.08
Total Expenses	\$2,867,696.38
Net Operating Income	<b>\$4,665,540.59</b>
<b>OTHER INCOME</b>	
Interest Income - Administrative	124,628.42
Interest Income - Program	10,206.56
Other Income	5.63
Unrealized Gain(Loss)	201,804.46
Total Other Income	\$336,645.07
Net Other Income	\$336,645.07
Net Income	<b>\$5,002,185.66</b>

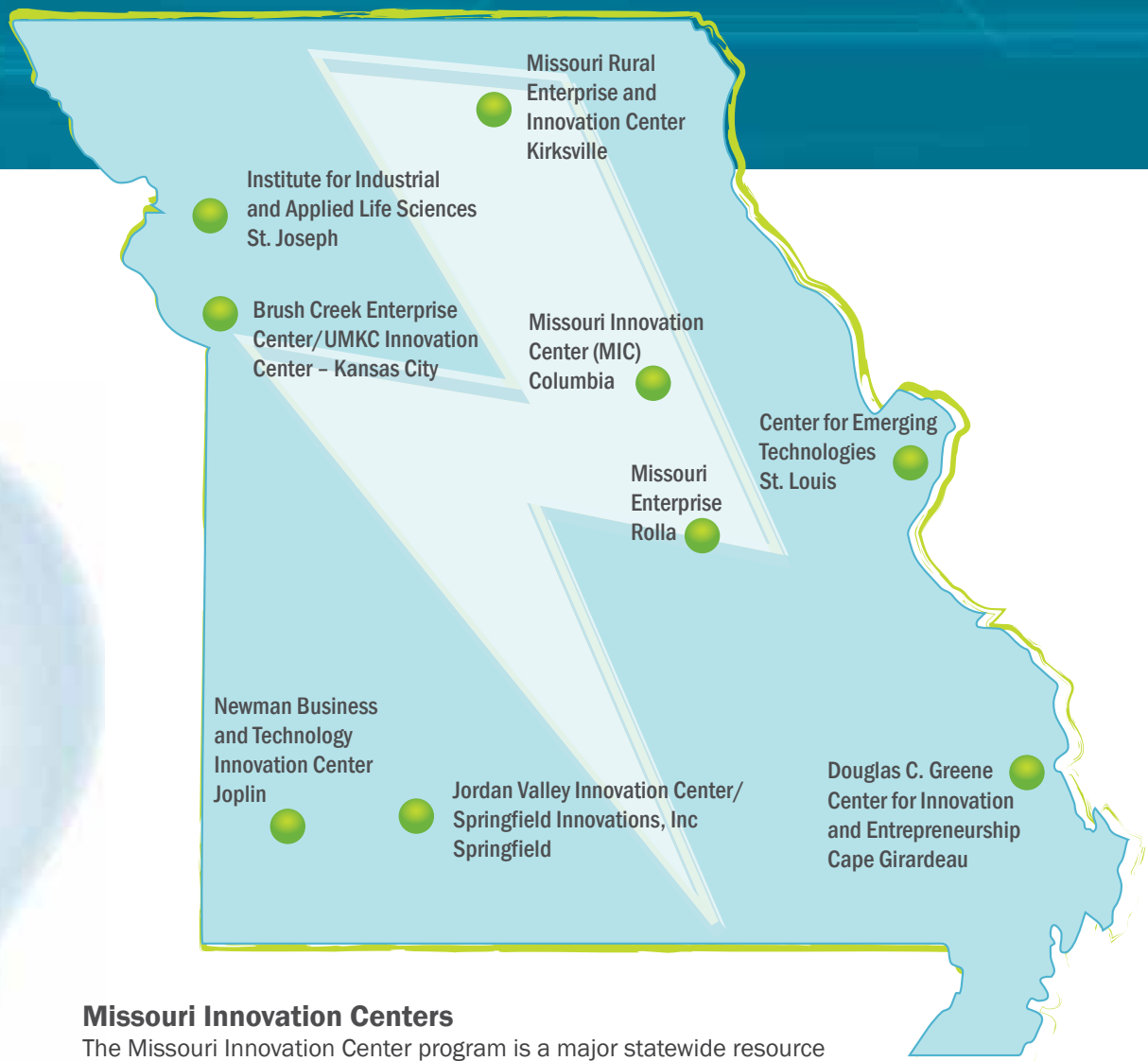






# BUILDING THE ECOSYSTEM

# INNOVATION CENTERS



## Missouri Innovation Centers

The Missouri Innovation Center program is a major statewide resource for commercializing Missouri research discoveries and innovations. Innovation centers are the “boots on the ground” that assist Missouri entrepreneurs with creating and growing new high-tech, high-growth businesses. Innovation centers provide the specialized business counseling and hands-on business development and finance assistance needed to take a technology from the lab or garage into a thriving business that creates high-paying jobs. Innovation centers may also operate physical incubators that provide laboratories and office space at affordable rates. The commercialization process may include including establishing proof of concept, securing seed investment, prototype development, and strategic partnerships. The process requires special expertise and can be both lengthy and complex.

Missouri Enterprise, based in Rolla, serves as the innovation center focused on advanced manufacturing, which includes operating the Manufacturing Extension Partnership program (“MEP”). The MEP program provides Missouri-based, small- and medium-sized manufacturers with technical engineering assistance to increase productivity, obtain necessary quality certifications to for exporting Missouri-made products, and assisting manufacturers with the implementation of growth strategies. Small Missouri manufacturers face increased pressures in a global economy to remain cost competitive with foreign-produced goods made in countries like China. Accordingly, MEP helps manufacturers of traditional products like cabinets or pipes use technology to grow and compete, and also assists high-tech start-ups with creating new manufacturing jobs in Missouri.

# MISSOURI BUILDING ENTREPRENEURIAL CAPACITY (MOBEC)

Supporting entrepreneurs and fostering innovation is critically important to build an ecosystem that enables entrepreneurs to create jobs and spur economic growth. It is for this reason that the Missouri Building Entrepreneurial Capacity grant program (MOBEC) is a cornerstone of MTC's investment strategy. Through MOBEC, MTC makes strategic investments through grants to public and private non-profit Missouri research institutions as well as entrepreneurial support organizations and initiatives that expand the support system for entrepreneurs that are commercializing new technologies or that enhance the capacity of Missouri to grow its innovation economy.

The grants are also available to enhance the capacity of Missouri research institutions to attract competitive federal and private research funding and centers and improve research and commercialization efforts in the targeted high-tech industry clusters, with the goal of creating sustainable, high-paying, private sector jobs.

MOBEC projects across the state include the launch and expansion of initiatives aimed at mentoring and advising tech entrepreneurs, the build out of laboratory space to help further develop new technologies and support of the commercialization of new medical devices.

## MU LIFE SCIENCE BUSINESS INCUBATOR LAB EXPANSION

The MU Life Science Business Incubator at Monsanto Place is operated by the Missouri Innovation Center ("MIC"), which is the state innovation center located in Columbia. Situated as the southern gateway to the MU campus, the MU Life Science Business Incubator currently serves as the home to a number of startups in the area and operates with the ultimate goal of expanding the burgeoning technology industry cluster in mid-Missouri through the creation and attraction of new technology ventures. Through an award of MOBEC (Missouri Building Entrepreneurial Capacity) program funds from MTC, MIC was able to build out the equivalent of three wet lab modules to accommodate more companies at the MU incubator. Two of the labs were recently finished as a double suite and enabled MIC to keep a biotechnology company with applications in agriculture and consumer products in Missouri. The other wet lab is currently occupied by Ag BiTech, an Australian agriculture biotechnology company that recently chose Missouri and the MU Life Science Business Incubator as the site for its U.S. research and development headquarters.







## DIGITAL SANDBOX KC

Digital Sandbox KC launched in February 2013, to provide proof-of-concept resources to support early-stage commercialization in startup companies. The unprecedented collaboration between corporate partners, universities, non-profit organizations, and government agencies creates a unique and extensive network of resources



for budding startup companies. MTC provided grant funding that played a pivotal role in securing a \$1 million i6 Challenge Grant from the U.S. Department of Commerce Economic Development Agency. Since January, Digital Sandbox KC has worked with more than 100 entrepreneurs throughout the Kansas City region to strengthen strategic business plans and accelerate growth. As a partner of Digital Sandbox KC, MTC has directly influenced progress of several Kansas City area startups including DivvyHQ, a company that plans and facilitates corporate marketing and social media initiatives through an editorial calendar application. Through MTC's investment in Digital Sandbox KC, DivvyHQ has relaunched its application, secured a number of major clients including McDonald's, Microsoft, and AT&T, and raised its first round of equity financing.



**AS A PARTNER OF DIGITAL  
SANDBOX KC, MTC HAS DIRECTLY  
INFLUENCED PROGRESS OF  
SEVERAL KANSAS CITY AREA  
STARTUPS**

## ITEN



The IT Entrepreneur Network (ITEN) is an initiative launched in St. Louis to bring together the region's entrepreneurs in information technology to create a robust entrepreneurial community that generates successful IT business ventures. ITEN was formed by the St. Louis IT Coalition, University of Missouri-St. Louis, and Innovate St. Louis. ITEN links IT entrepreneurs to resources and services to expedite their path to success through mentoring, networking, and mock angel investment training. ITEN has also begun an executive search service for member companies to link serial entrepreneurial talent with promising new companies. Nearly 450 start-up companies have been mentored by ITEN since it was established in 2008. MTC provided critical funding to establish and expand ITEN in St. Louis and as a resource to other communities across the state.

SINCE ITS FOUNDING, ITEN MEMBER COMPANIES HAVE CREATED OVER 850 NEW, FULL-TIME JOBS AND RAISED OVER \$91 MILLION IN CAPITAL.

## ARCH GRANTS



Arch Grants seeks to create a more robust startup culture and infrastructure in St. Louis. To increase employment growth and establish St. Louis as a place where entrepreneurs want to start and grow their businesses, Arch Grants offers startups non-dilutive capital financing in the form of grants in exchange for locating in St. Louis for one year. In addition, Arch Grants supports the growth of winning companies by providing access to business networking and mentoring, free legal and accounting services, collaboration with local universities, and discounts on housing and affordable office space. After receiving an initial Arch Grant, startups have the opportunity to secure a second round of up to \$100,000 in funding along with direct access to St. Louis-based angel investors. MTC played a significant role in helping the dedicated local founders of Arch Grants to launch the initiative by providing early financial support through the MOBEC program.

IN JUST OVER ONE YEAR, ARCH GRANT WINNERS HAVE...

CREATED

128

NEW JOBS

RAISED

\$5.8M

IN CAPITAL

GENERATED

\$13M

IN REVENUE



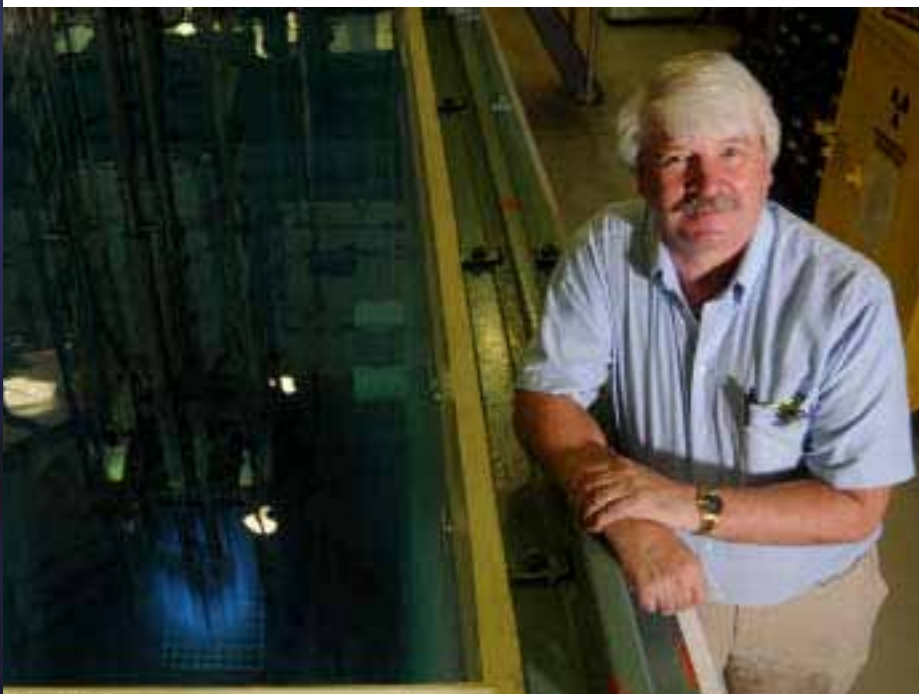
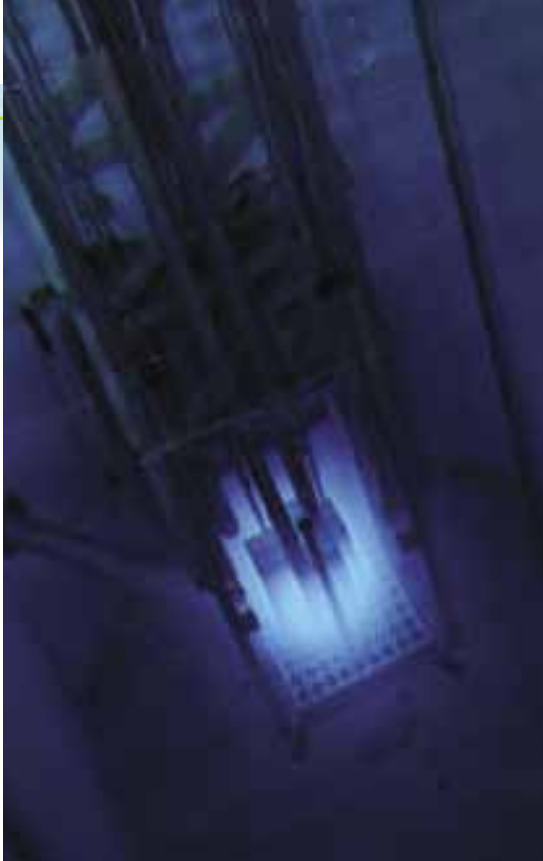


## MERCY RESEARCH AND DEVELOPMENT

Mercy Research and Development is a fast-growing research and development group specializing in the development and commercialization of medical innovations. Founded in Springfield in 2007, the company harnesses ideas from clinicians and co-workers to identify areas of patient care that could be improved, thereby leading to the creation of innovative, affordable, market-ready solutions to everyday issues and problems encountered by healthcare institutions. In 2012, Mercy R&D was awarded a two-year grant from MTC's MOBEC program to help the organization expand its biomedical

commercialization activities. The grant funds will assist Mercy R&D with addressing its primary goals of facilitating new biomedical startup businesses based on novel technologies developed in its research labs, along with assisting startup companies with accessing investment capital and other commercial support services. Beyond developing new and improved medical devices, Mercy R&D is also involved in active areas of research including infection control, wound healing and corneal wound repair.

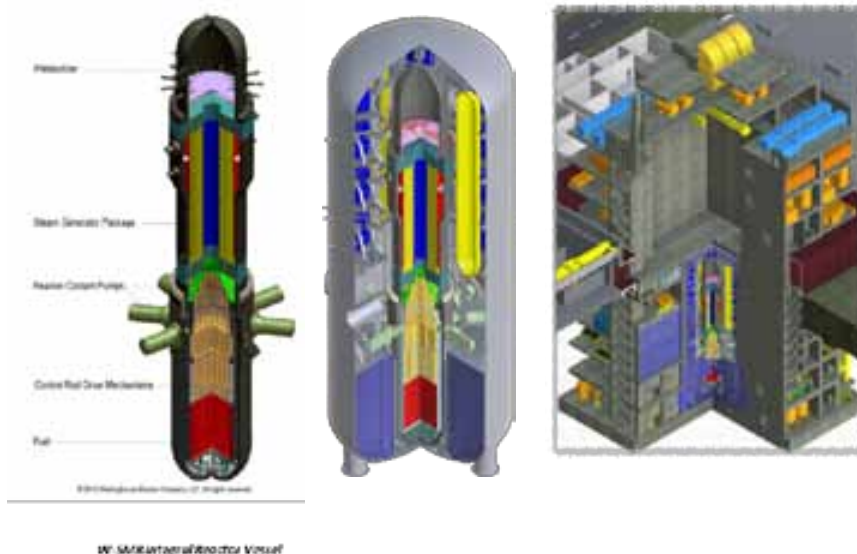




## SMR

In July 2013, the Missouri University of Science and Technology and the University of Missouri announced the establishment of a consortium on small modular reactor (SMR) research and education. The SMR Research and Education Consortium launched with support by MTC through a MOBEC program grant. A major objective of the SMR consortium is to identify and develop transformational technology that supports SMRs to improve energy security and the environment. SMRs are smaller than traditional nuclear power plants which allow more flexibility for electricity generation and reduced waste from more efficient use of fuel.

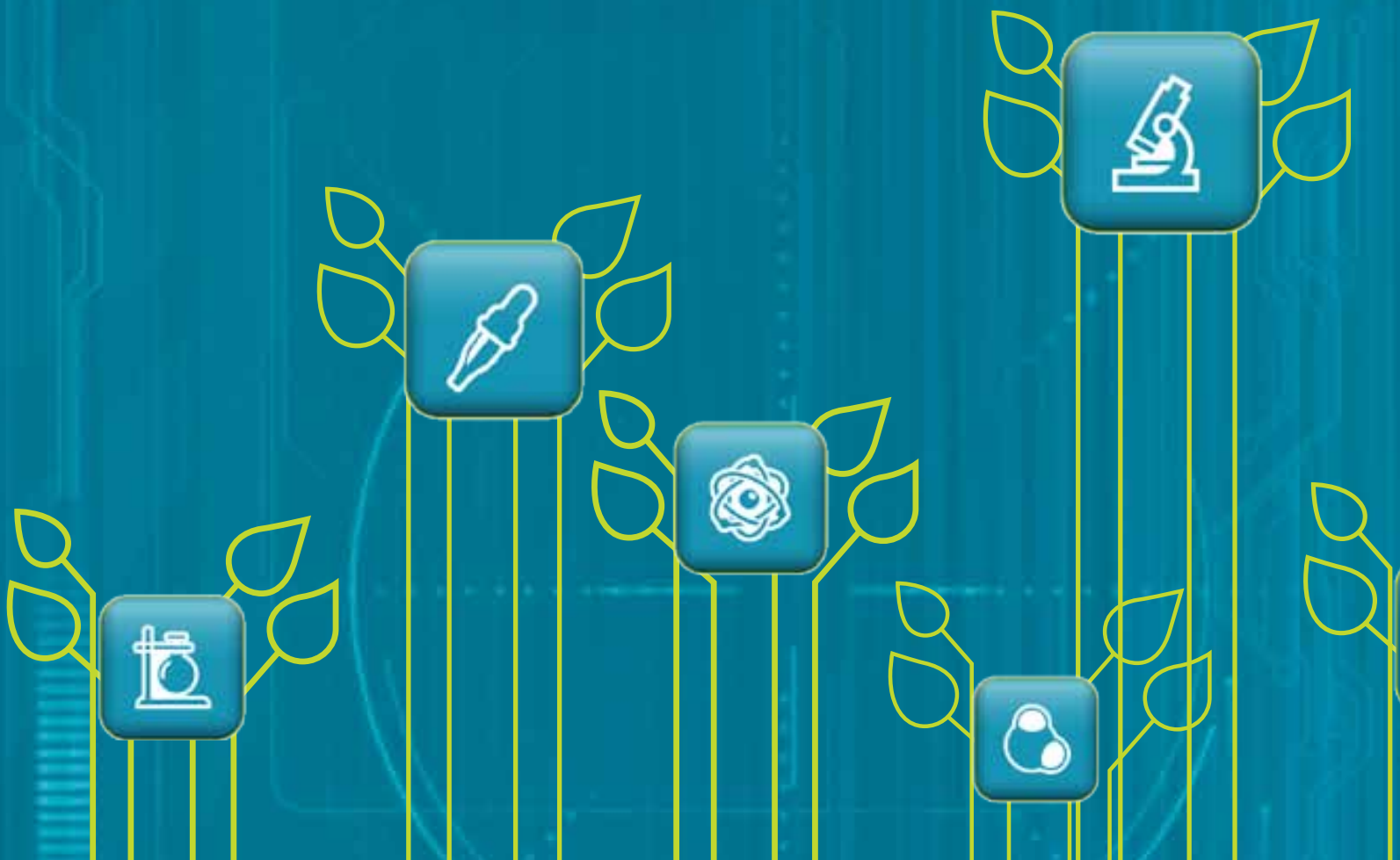
The consortium will also include collaboration with power industry partners such as Westinghouse Electric Company and Ameren, which will also be founding members of the consortium. With the support of MTC grant funds, these two universities will be able to conduct cutting-edge research to advance the design, construction, and operations of SMR technology and provide training opportunities for future engineers and scientists. Missouri has embraced the opportunity to grow the SMR industry which holds the potential to create numerous jobs throughout the state.



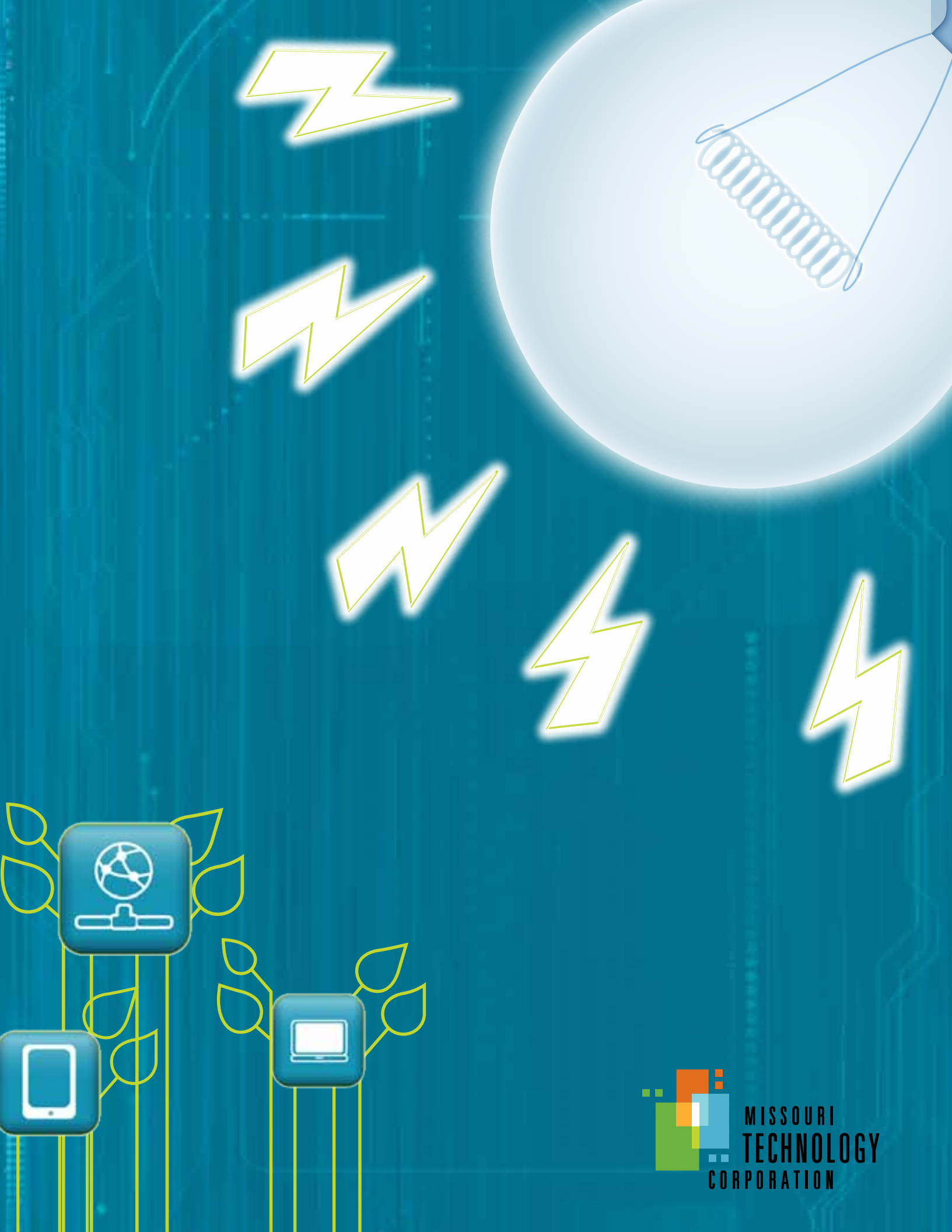
“AS WESTINGHOUSE HAS RECOGNIZED, MISSOURI OFFERS MANY ADVANTAGES FOR THE DEVELOPMENT AND MANUFACTURE OF SMRS, INCLUDING OUR OUTSTANDING WORKFORCE, WORLD-CLASS RESEARCH UNIVERSITIES, CENTRAL LOCATION AND THE EXCELLENT SAFETY RECORD OF AMEREN MISSOURI. THIS CONSORTIUM BOLSTERS THOSE ADVANTAGES, AND SHOWCASES THE CUTTING-EDGE WORK IN NUCLEAR ENERGY TAKING PLACE IN OUR STATE.”

—MISSOURI GOV. JAY NIXON

# GROWING COMPANIES









## FULL-TIME, HIGH-PAYING JOBS 72

### DUPONT PIONEER

When DuPont Pioneer, a leading developer and supplier of advanced plant genetics, was searching for a new location to expand its soybean production capabilities in early 2010, MTC partnered with the Missouri Department of Economic Development to provide the company with a winning package of incentives and financial assistance, ultimately playing a vital role in the company's selection of Missouri for its next production site. In May 2010, utilizing funds made available by this partnership, DuPont Pioneer broke ground on a new state-of-the-art advanced soybean production facility located on a 129-acre tract of land in New Madrid County. This \$65 million commercial soybean seed production plant was officially opened in September 2011, making it the company's largest soybean production plant in the world. In addition to the plant construction work that put countless Missourians to work, the new DuPont Pioneer facility also created 72 full-time, high-paying jobs in southeast Missouri, exceeding its initial job projection of 50 workers. The new facility also reinforced Missouri's reputation as a premier location for advanced plant science, and positioned Missouri for further growth as a plant science hub.

### NEWSY

In 2008, MTC provided mid-Missouri news startup service Newsy with funds to set up its first news room in Columbia. The company, which was founded in September of that year through a partnership with the University of Missouri School of Journalism, creates and produces original multi-source video news bites for multiple platforms. Since its onset, Newsy has leveraged its relationship with one of the top-rated journalism programs in the country to quietly foster several big media relationships to share its news service. Although it initially only produced a couple of videos per day, today Newsy produces more than 2000 videos per month for Newsy's website, its highly rated iPhone, iPad, Android and Windows Phone apps and its media partners, which include AOL/Huffington Post, National Journal, Mashable and Newser. Additionally, in June, Newsy announced a long-term relationship with MSN News to collaboratively produce up to 20 videos per day for the network. Newsy's team has also grown in recent years, currently boasting employment numbers of more than 30 full-time and more than 25 part-time employees as it strives to reinforce its model of multiple revenue streams. Today, Newsy's content and videos are viewed by more than 125 million people each month.







## SCD PROBIOTICS

SCD Probiotic's business beginnings trace back to 1998, when CEO Matthew Wood founded the company in his garage while he was an undergraduate student at the University of Missouri in Columbia. Since then, the company has seen remarkable growth, culminating in a \$9.1 million expansion project in downtown Kansas City in 2011. The expansion, which was made possible through financing from MTC along with UMB Bank, private investors, and Missouri Development Tax Credits, will allow the company to add 62 new high-tech jobs in Kansas City, providing a significant boost to the local economy. SCD Probiotics is

currently involved in the research, development and manufacturing of natural probiotic products, providing cost-effective solutions for improved human health and environmental sustainability. Its products are utilized in a wide variety of sectors, including the agriculture, industrial, home & garden, human health, livestock and aquaculture industries.

In 2013, SCD Probiotics won the Governor's Exporter of the Year Award and was honored by Gov. Jay Nixon at the Governor's Conference on Economic Development in Kansas City.



## KATALYST SURGICAL

Gregg Scheller, founder and CEO of Katalyst Surgical, LLC, has filed more than 85 patents over the span of his career as an inventor. Many of those were filed on behalf of his latest business venture, Katalyst Surgical, an industry leader in ophthalmic surgical instruments. Incorporated in 2010 in Chesterfield, the team at Katalyst has over 40 years of experience in the design, manufacturing, and quality control of ophthalmic surgical products. In 2011, MTC provided Katalyst Surgical with a low-interest loan, which the company used to leverage \$3 million in additional private investments from around the globe. At the time of its loan award, Katalyst employed 15 people, but was able to implement an aggressive product development and growth plan through expansions made possible by MTC's loan program. Today, Katalyst Surgical sells its ophthalmic products in 40 countries worldwide, and employs 38 people.





## INNOVAPREP

Using technology developed at his own backyard business AlburtyLab, Inc. in Drexel, entrepreneur Dave Alburty founded InnovaPrep in 2009 to commercialize his innovative automated contaminant detection technology. This technology was originally developed to aid U.S. government biodefense



detection systems. Working in collaboration with Andrew Page of Page Applied Research LLC, the team at InnovaPrep was able to develop technology that makes it faster, easier and more efficient to create samples to be tested for biological contamination and pathogens, capable of detecting threat organisms or particles at previously undetectable levels. As the uses for its innovative technology began to spread beyond the biodefense market, InnovaPrep turned to MTC for help expanding its operations and working capital. MTC was able to provide critical financial assistance to enable the company to secure patents and protect its intellectual property, pursue federal research grant opportunities and expand its research and development and manufacturing facility in downtown Drexel. Today, the company's core technology is in high demand in several industries, including medical and veterinary diagnostic research, pharmaceutical production, food, drug and water safety and environmental monitoring, allowing the formerly two-person startup to grow in Missouri.





"MTC WAS INSTRUMENTAL IN OUR DECISION TO RELOCATE KYPHA TO ST. LOUIS. THE INITIAL FUNDING WAS IMPORTANT, BUT THEIR COMMITMENT TO PROVIDE ONGOING SUPPORT AND BE A CATALYST FOR LONG-TERM GROWTH WAS THE X-FACTOR. NEARLY 3 YEARS LATER, MTC HAS MET AND EXCEEDED OUR EXPECTATIONS IN EVERY WAY. THEY CONTINUE TO BE A KEY PIECE OF A REGIONAL ECOSYSTEM THAT IS GAINING GLOBAL ATTENTION AS A PLACE WHERE SUCCESSFUL BIOTECH AND HIGH-TECH STARTUPS AND ENTREPRENEURS CAN THRIVE."

-DR. CHAD STIENING, CO-FOUNDER AND CEO, KYPHA, INC.

## KYPHA

In early 2011, Louisville-based life sciences company Kypha made the decision to move from Kentucky to Missouri following a competitive offer of financial assistance from MTC, along with an investment from BioGenerator. Since its relocation to St. Louis, Kypha has leveraged an additional \$3 million in private capital and more than tripled in size, growing to 10 employees as it strives to commercialize its revolutionary product, Comp Act Dx, a point-of-care blood test to assess immune activity and inflammation. Company CEO Dr. Chad Stiening, along with President Dr. Paul Olson, are currently undergoing clinical trials for the Comp Act Dx system, with hopes to receive FDA clearance to launch commercially in early 2014.

In September 2013, Dr. Stiening was named the 2013 Governor's Entrepreneur of the Year for his innovative work in the bioscience industry through Kypha.

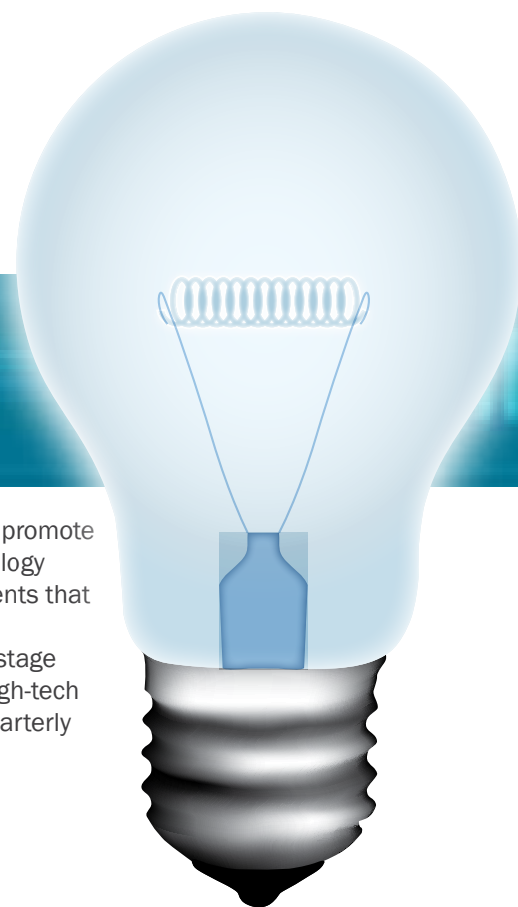


## MISSOURI IDEA FUNDS

The Missouri IDEA (Innovation, Development, and Entrepreneurship Advancement) Funds promote the formation and growth of businesses that engage in the transfer of science and technology into job creation. The funds provide financing to eligible businesses through four components that correspond to the four stages of growth for investment-grade, high-growth enterprises:

(1) TechLaunch, pre-seed stage financing; (2) Seed Capital Co-Investment Program, seed stage financing; (3) Venture Capital Co-Investment Program, venture stage financing; and (4) High-tech Industrial Expansion Program, expansion stage debt. Funding decisions are made on a quarterly basis through a multi-tiered, competitive application process.

SINCE BEING LAUNCHED BY GOVERNOR NIXON IN APRIL 2011, THE IDEA FUNDS HAVE ASSISTED OVER 40 STARTUPS GROW IN MISSOURI. MTC HAS **INVESTED OVER \$12 MILLION** TO DATE. COMPANIES RECEIVING INVESTMENTS THROUGH THE IDEA FUNDS HAVE SUCCESSFULLY **RAISED OVER \$58 MILLION** IN ADDITIONAL PRIVATE CAPITAL.



MTC INVESTMENTS HAVE  
GENERATED TWO EXITS,  
**RETURNING  
2.6 TIMES**  
MTC'S ORIGINAL  
INVESTMENT



## CONFLUENCE LIFE SCIENCES

Confluence Life Sciences, Inc. launched in 2010, leveraging support and funding from Missouri Technology Corporation, along with BioGenerator, St. Louis County Port Authority Helix Fund and the St. Louis Arch Angels. The company, which was started by dislocated Pfizer workers that chose to stay in Missouri and develop new drugs for human and animal health, was also the MTC's first ever TechLaunch pre-seed funding recipient. Just two years after its launch, Confluence was able to leverage an additional \$4 million in Series A venture capital, an investment round led by a Texas-based venture capital fund that had never previously invested in a Missouri company. Confluence is currently focused on the rapid discovery and development of kinase inhibitors to treat cancer and inflammatory disease in both humans and animals. Proceeds from its latest round of financing will enable the company to advance its product candidates and leverage its proprietary technology platform as it continues to discover and develop novel therapeutics. The company is currently headquartered in St. Louis within the BioGenerator Accelerator Labs at CORTEX-1 and has doubled its staffing to 22 employees.







TRIPLED IN SIZE

## ETERNOGEN

EternoGen is a biotechnology startup developing superior collagen-based products for a variety of minimally invasive surgical applications and cosmetic needs. MTC's IDEA Fund investments through the TechLaunch and Seed Capital Co-Investment programs have been a significant factor in the company's rapid growth by assisting in the development of its innovative technology, a collagen product that could potentially compete against aesthetic skin products such as Botox. Since its initial funding through MTC, the University of Missouri Enterprise Investment Program (EIP) and Centennial Investors, EternoGen has since leveraged more than \$1.5 million in additional financing and recently announced plans to enter the commercialize phase for its nano-engineered collagen replenishment therapy. The company, which maintains incubator space at the MU Life Science Business Incubator in Columbia for further research and development, along with an operations office at the Center for Emerging Technologies (CET) in St. Louis, plans to use this funding to conduct human studies as it takes its first steps toward commercialization in Europe and Asia as early as 2014, followed closely by the U.S. EternoGen's original technology was initially launched through the MU Biodesign and Innovation Program, which also received grant support through MTC.

"MTC CAME THROUGH WITH KEY FINANCING AT A PIVOTAL TIME IN LOCKERDOME'S GROWTH, CONTRIBUTING TO KEEPING LOCKERDOME'S OPERATIONS IN ST. LOUIS. WE ARE GREATLY APPRECIATIVE OF THE SUPPORT."

- GABE LOZANO, CO-FOUNDER AND CEO OF LOCKERDOME

## LOCKERDOME

When St. Louis-based social media sports startup company LockerDome was faced with the decision of whether to stay in its hometown or relocate to Silicon Valley, critical funds provided by MTC allowed the company to stay in Missouri and solidify its place in the St. Louis tech startup scene. Along with additional funds provided by local investors including Cultivation Capital, Capital Innovators, and the St. Louis Arch Angels, LockerDome was able to close on a more than \$1 million financing round in 2012. The company then used the MTC and local investor money to scale-up its workforce and services and position itself for substantial follow-up private investment, ultimately raising an additional \$6 million in Series A financing earlier this year.

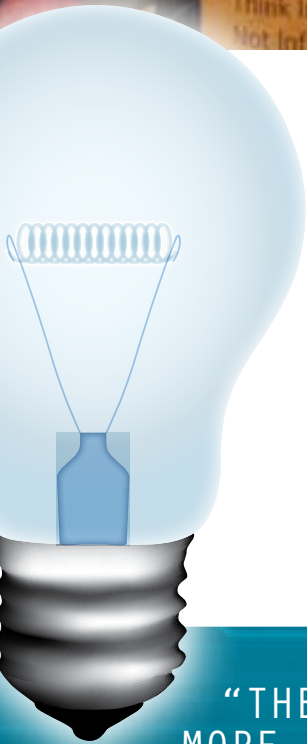
LockerDome's success can be measured by both its substantial investor support and exponential growth in the past few years. Founded in 2008 by Gabe Lozano, LockerDome is a social media platform for sports featuring professional athletes. In early December 2012, LockerDome's popularity and reach amplified, surpassing 3 million unique monthly visitors. Two weeks later, it surpassed 4 million unique visitors. Today, LockerDome is one of the fastest-growing online sports properties in the world, boasting nearly 20 million unique visitors each month. The site is also home to publishing platforms for more than 2,000 professional athletes, brands, media personalities, and other sports properties.



lockerdome

# GRAEMATTER

The original concept for the regulatory intelligence system being developed by the startup company Graematter was conceived in 1999 by the company's founder, Melissa Walker. After spending many years searching through FDA data sets for her own research, Walker came up with an intricate system for storing and analyzing the overwhelming amount of available data, an idea that eventually blossomed into Graematter's signature technology, SOFIE. After receiving the initial patent for the SOFIE system in 2010, Graematter received overwhelming support from investors to further develop the technology, including pre-seed financing from MTC, BioGenerator, the Helix Fund, and Arch Grants. In addition, the company was chosen to showcase its patented software at the 2012 Health and Human Services Datapalooza in Washington D.C., an event that features major innovations in U.S. healthcare information technology. Graematter currently maintains space at the T-REx technology incubator in downtown St. Louis as it perfects its system for locating, analyzing and tracking regulatory information. The SOFIE system has already revolutionized the regulatory search process, boasting the ability to complete a typically 30-hour search in less than two hours.



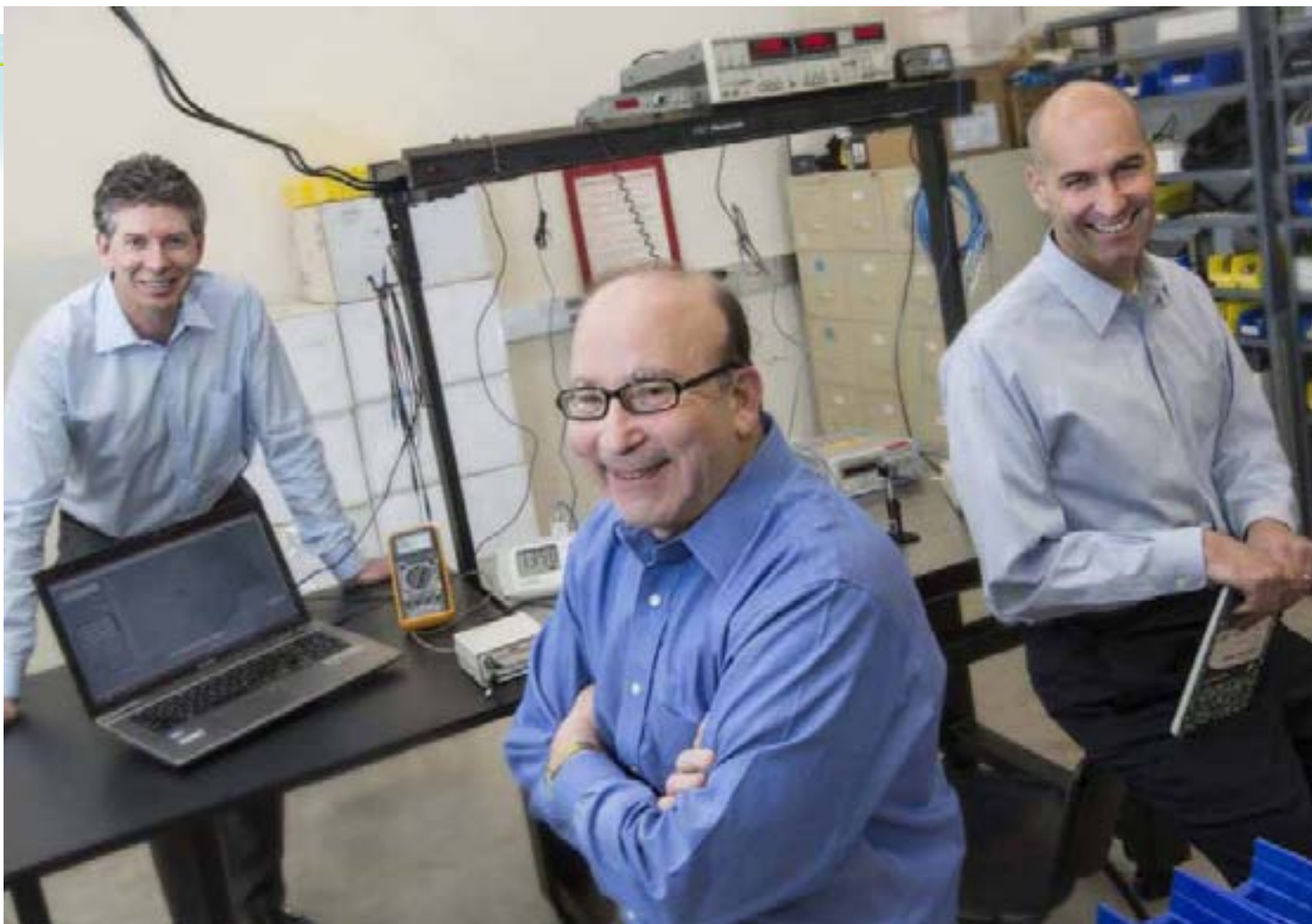
# MEDSOCKET

Practicing physician Dr. Karl Kochendorfer was inspired to start his health information technology company MedSocket after recognizing a gap in medical information and patient care that needed to be filled. In response to this need, Dr. Kochendorfer developed two informational services, a 1-Click Decision Support system (1-CDS), and a medical search engine (1-Search), the two elements that make up his Columbia-based startup company. Although it has been officially open less than a year, MedSocket has already received substantial financial support and seed capital to develop its healthcare technology, including investments through MTC's IDEA Funds program and the University of Missouri System's Enterprise Investment Program. Already, both the 1-CDS and 1-Search technology have been successfully piloted at the University of Missouri Health System and show substantial potential to improve healthcare decisions, enhance efficiency, improve patient outcomes and decrease healthcare costs.

"THE VALUE THAT MTC HAS BROUGHT TO MEDSOCKET IS MORE THAN JUST AN INVESTMENT IN OUR COMPANY. MTC HAS HELPED US NETWORK WITHIN THE INVESTMENT COMMUNITY, IS THERE WHEN WE NEED GUIDANCE, AND ATTENDS OUR BOARD OF DIRECTOR'S MEETINGS, OFFERING ADDITIONAL VALUABLE INPUT. MEDSOCKET VIEWS MTC NOT AS AN INVESTOR BUT AS A PARTNER."

-DR. KARL KOCHENDORFER, FOUNDER AND CEO OF MEDSOCKET





## MEDIBEACON

MediBeacon is a Missouri-grown startup company that was founded in 2012 with the goal of commercializing diagnostic technology used to monitor patient kidney function safely, more accurately and in real-time. Utilizing funds from MTC's IDEA Funds through the Missouri TechLaunch and Seed Capital Co-Investment programs, MediBeacon has been able to attract global attention. In just the first year of business, the company has raised \$3.6 million from investors around the world. A strong funding base has given MediBeacon the ability to hire skilled personnel as well as quickly advance its technology and begin human clinical trials.

"THE MTC HAS PLAYED A CRITICAL ROLE IN HELPING PROVIDE THE INITIAL FUNDING FOR MEDIBEACON. MEDIBEACON WAS ABLE TO LEVERAGE MTC'S INVESTMENT TO RAISE OVER \$3.5 MILLION TO FUND INITIAL CLINICAL TRIALS."

-STEVE HANLEY, CEO MEDIBEACON





## ELEMENTAL ENZYMES

Husband and wife biological scientists, Brian and Katie Thompson developed a process for efficiently manufacturing customized enzyme solutions for common contaminants found in the environment as well as production of enzymes for non-environmental applications. The unique process produces more stable enzymes at a lower cost and provided the basis for their startup company, Elemental Enzymes. Working out of MU Life Science Business Incubator, part of the Missouri innovation center network, the company is focused on further research and product development. Funding through MTC's TechLaunch program has allowed the company to demonstrate its production technology and attract additional capital investment from private investors in Columbia and St. Louis.

## BENSON HILL BIOSYSTEMS

In July 2013, Benson Hill Biosystems, Inc., from Research Triangle Park, N.C., received an investment through the MTC IDEA Funds to support its expansion in Missouri. Benson Hill's decision to locate in Missouri allows the company to strengthen its research relationship with the Donald Danforth Plant Science Center to more quickly advance its research and product development. MTC's investment has helped Benson Hill raise over \$1 million in seed-stage financing. Co-founders Matt Crisp, Tom Brutnell, and Todd Mockler launched Benson Hill aiming to address challenges in sustainable agriculture production and develop solutions to substantially increase intrinsic yield potential of agricultural crops through a combination of systems biology, bioinformatics, synthetic biology and next-generation phenotyping.

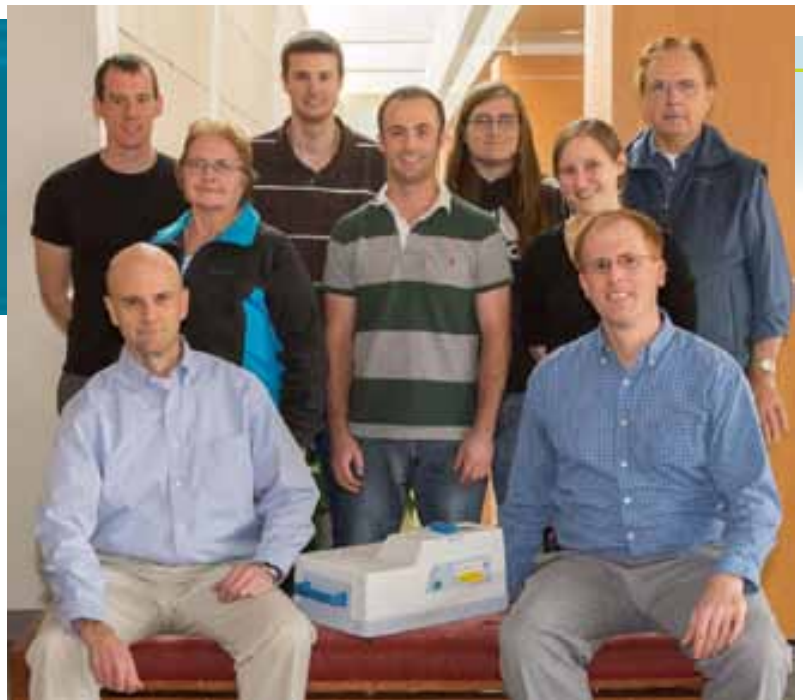
MTC'S IDEA FUNDS  
HAVE HELPED  
BENSON HILL  
RAISE OVER  
**\$1 MILLION**  
IN SEED CAPITAL



MISSOURI'S BROAD LIFE SCIENCES ASSETS PROVIDED GREATER OPPORTUNITIES FOR RAPID GROWTH AND EXPANSION

## ADARZA BIOSYSTEMS

In addition to fostering growth among Missouri's own entrepreneurs, MTC's strategic investment initiatives and extensive startup network has played a key role in attracting new talent to the state. In July 2013, a significant investment through MTC's IDEA Funds program lured Adarza BioSystems to expand to St. Louis. Although founded in Rochester, N.Y., the company noted that Missouri's broad life sciences assets provided greater opportunities for rapid growth and expansion. Adarza is a medical diagnostics company developing a rapid and label-free biological assay platform for measuring clinical and point-of-care (POC) samples. The company's proprietary chip-based platform has diagnostic capabilities ranging from allergy testing to cancer diagnostics, and serves both commercial and at-home purposes.



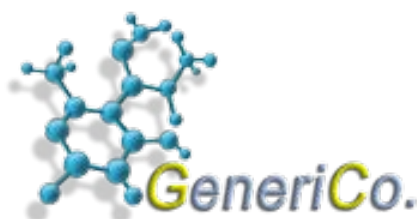
## CHLOROFILL

In 2012, Nodaway County's agricultural expertise and abundant resources caught the attention of Michael Hurst, founder, CEO and president of San Diego startup company, ChloroFill. The company was seeking a location to launch production of its renewable sorghum stalk-based building panels and Nodaway County's agricultural capabilities and skilled manufacturing workforce fit the bill. In addition to being renewable, ChloroFill's building panels are non-toxic and formaldehyde-free producing a green option for interior design, furniture and construction applications. With a loan through the MTC IDEA Funds and local investment, ChloroFill opened a manufacturing facility in Nodaway County where the company expects to produce at least 30,000 building panels in the first year of operation. The project will create nine new jobs in the first year, essentially doubling ChloroFill's size, and the company expects to hire additional staff over the next several years.



CHLOROFILL PLANS TO HIRE UP TO 40 EMPLOYEES IN NODAWAY COUNTY AS IT REACHES FULL PRODUCTION.

# MTC PORTFOLIO

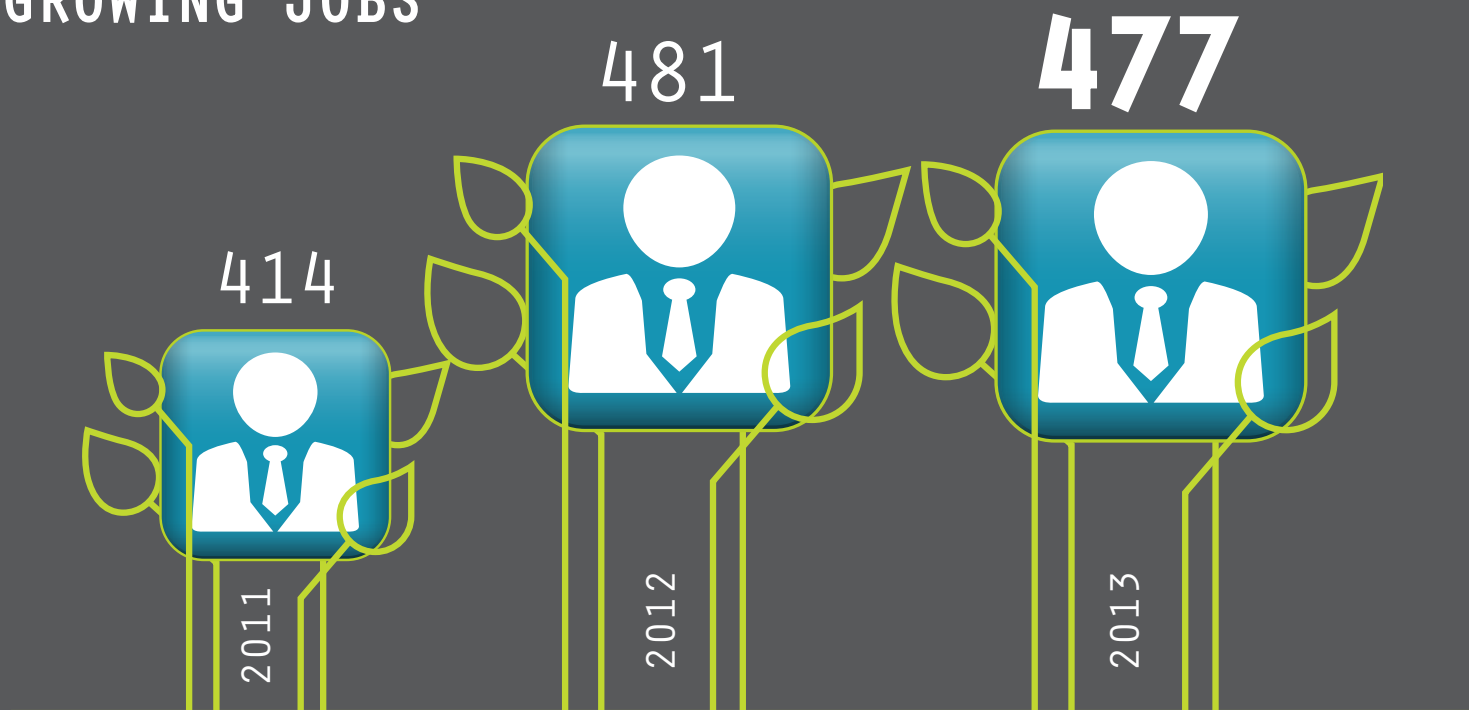






# INNOVATION CENTER ECONOMIC IMPACT DATA

## GROWING JOBS



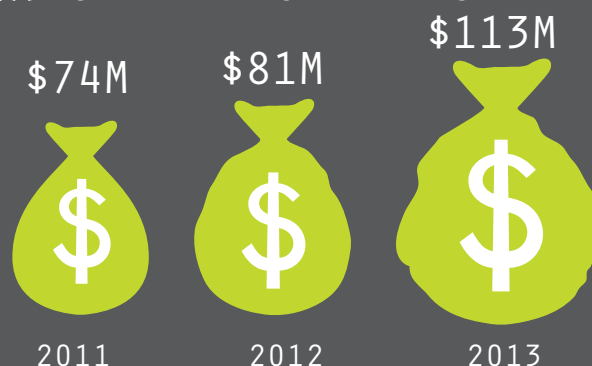
## CLIENTS



## GOVERNMENT GRANT FUNDS AWARDED



## PRIVATE CAPITAL RAISED BY CLIENTS



# MTC PORTFOLIO ECONOMIC IMPACT DATA

## GROWING JOBS

NEW FULL-TIME JOBS IN FY2012 100

NEW FULL-TIME JOBS IN FY2013 121



42 NEW PART-TIME JOBS IN FY2012

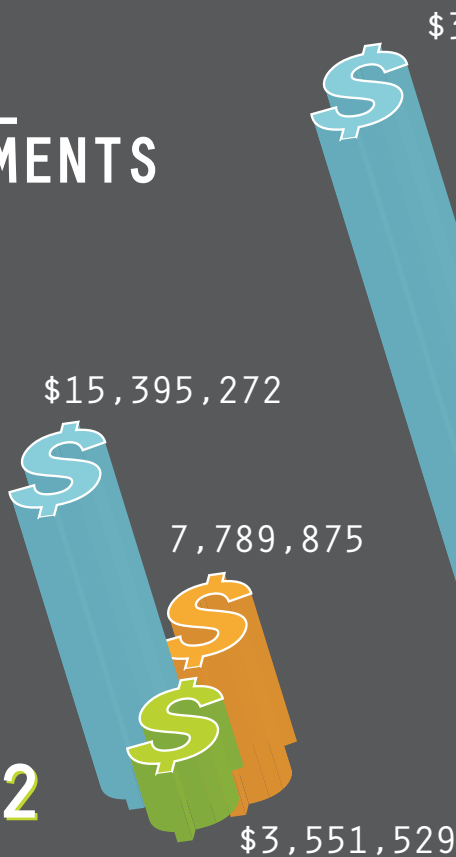
26 NEW PART-TIME JOBS IN FY2013

## CAPITAL INVESTMENTS



 EQUITY INVESTMENT  
 CONVERTIBLE DEBT  
 TRADITIONAL DEBT

FY2012



FY2013

